

HOUSING AUTHORITY REPORT

DATE ISSUED: August 17, 2007 REPORT NO: HAR 07-026

ATTENTION: Members of the Housing Authority
Council President and City Council
For the Agenda of September 11, 2007

SUBJECT: Preliminary Items Pursuant to Issuing Multifamily Housing Revenue Bonds for
Bay Vista Methodist Heights (Council District 4)

REQUESTED ACTION:

Take the initial steps to issue Housing Authority mortgage revenue bonds to fund the acquisition and rehabilitation of an existing 268-unit rental complex located in the Encanto neighborhood of San Diego. Borrower would acquire and rehabilitate the property and restrict rents below market; issuance of bonds would require Housing Authority approval at a later date.

STAFF RECOMMENDATION:

- A. Housing Authority approve a bond inducement resolution (a declaration of official intent) for up to \$27 million in multifamily housing revenue bonds for Bay Vista Methodist Heights (Bay Vista) to be developed by the Amerland Group, LLC (Amerland);
- B. Housing Authority approve an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt "private activity bonds" in an amount up to \$27 million for Bay Vista; and,
- C. City Council hold a public hearing (*known as a TEFRA hearing - Tax Equity and Fiscal Responsibility Act*) and adopt a resolution approving the issuance of tax-exempt bonds in an amount up to \$27 million by the Housing Authority for Bay Vista located at 4888 Logan Avenue in the City of San Diego.

BACKGROUND:**The Project**

Bay Vista is an existing 268-unit affordable housing complex located at 4888 Logan Avenue. The project includes 100 two-bedroom and 168 three-bedroom units in 32 buildings. Bay Vista also includes three playgrounds, a community room, and an on-site daycare facility. The property was built in 1969 by a non-profit affiliate of St. Paul United Methodist Church. St. Paul's has owned and operated Bay Vista since its opening and has recently agreed to sell the property to Amerland.

Bay Vista has a project based Section 8 contract with the Department of Housing and Urban Development (HUD). Through the Section 8 contract tenants pay 30% of their incomes toward rent. Bay Vista is an "at risk" affordable housing project because the Section 8 contract expires within three years and it is possible that the rents could be converted to market rates.

Amerland intends to acquire Bay Vista, preserve and extend the affordable rents, and substantially rehabilitate the property. The proposed property renovations will total approximately \$7 million and will include improvements to unit interiors, roof repairs, interior and exterior painting, window repairs and replacements, plumbing and landscaping upgrades, and retrofits of the community and laundry rooms. In

addition, Amerland will invest in upgrading the security on the property by providing new security gates and additional common area lighting.

Housing Affordability

Through the Housing Commission's Bond Program, rents on all the units will be restricted at 50% and 60% of the Area Median Income (AMI) (\$35,100 and \$49,150 for a family of four) for a minimum of 55 years. However, Amerland will also be seeking a 20-year extension of the HUD Section 8 contract to ensure that tenants will continue to pay 30% of their incomes toward rent after the acquisition and rehabilitation of the project. Bond Program rent and income restrictions for Bay Vista are outlined in the chart below:

Type	AMI	Unit Size (sq. ft.)	Number of Units	Restricted Rent (net of utility allowance)	Market Rate	Monthly Savings per unit
Two Bedroom	50% AMI	750	10	\$760	\$1,050	\$290
Three Bedroom	50% AMI	950	17	\$918	\$1,225	\$307
Two Bedroom	60% AMI	750	90	\$839	\$1,050	\$211
Three Bedroom*	60% AMI	950	151	\$1,014	\$1,225	\$211
Total			268			\$1,019
Total Annual Savings						\$707,640

*May include up to two managers' units.

Development Team

Amerland is a San Diego-based company founded in 2001 by Ruben Islas and Jules Arthur. The firm specializes in the creation and maintenance of affordable multifamily housing. Amerland currently owns 15 affordable housing developments totaling over 2,500 units. In 2001 the Housing Commission worked with Amerland to finance the acquisition and rehabilitation of the 170-unit Bella Vista Apartments located at 4742 Solola Avenue. A developer disclosure statement for Amerland is included as Attachment 2.

Proposed Housing Bonds

The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make federal tax credits available) to developers of affordable housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a project, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, projects are brought before the Housing Commission, Housing Authority, and City Council. Housing Authority bond inducement resolutions must be obtained prior to application submittal and City Council TEFRA resolutions must be secured no later than 30 days after application submittal.

It is anticipated that the project will receive a bond allocation at CDLAC's December meeting; however, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the project. A general description of the Multifamily Bond Program and actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 3.

The \$27 million allocation that will be sought from CDLAC is approximately 35% higher than the amount for which the project is currently being underwritten (\$20.2 million). The developer has requested this cushion to account for possible increases in the bond amount due to increases in construction costs or decreases in the assumed interest rate. The bond amount that is ultimately issued will be based upon project costs, revenues, and interest rates at the time of bond issuance.

The total development cost of the project is estimated to be approximately \$33 million. Other sources of permanent funds for the project will include federal tax credits, a deferred developer fee, and income from operations. Proposed permanent financing sources are summarized in the following table.

Proposed Permanent Financing Sources	
Housing Revenue Bonds	\$20,200,000
Tax Credits	10,800,000
Deferred Developer Fee	1,900,000
Income from Operations	100,000
Total	\$33,000,000

The developer currently proposes to issue the bonds through a private placement. The bonds would meet all the requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and would fully comply with the City's ordinance on bond disclosure.

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested actions. Approval of the bond inducement and TEFRA resolutions do not commit the Housing Authority to issue bonds. The bonds would not constitute a debt of the City of San Diego. If bonds are ultimately issued for the project, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources. Neither the faith and credit nor the taxing power of the City or the Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission's annual administrative fee.

PREVIOUS HOUSING AUTHORITY And/Or COMMITTEE ACTIONS:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Amerland will present their proposal for Bay Vista to the Encanto Community Planning Group in the near future.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

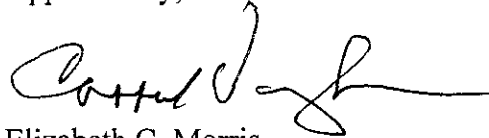
The residents of Bay Vista are stakeholders. Amerland will acquire and rehabilitate the project. The seller of the property is a non-profit established by St. Paul's United Methodist Church. Amerland has selected Red Capital Markets as the tax credit investor for the project.

Respectfully submitted,



Cissy Fisher
Director of Housing Finance & Development

Approved by,



Elizabeth C. Morris
President & Chief Executive Officer

- Attachments:
1. Site Map
 2. Developer Disclosure Statement*
 3. Multifamily Bond Program Summary

Distribution of these attachments may be limited. Copies available for review during business hours at the Housing Commission offices at 1122 Broadway, Main Lobby

Attachment 1: Location Map



Site Address: 4888 Logan Avenue

ATTACHMENT 2



San Diego
HOUSING COMMISSION

Housing Finance & Development

DEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE

(add extra sheets if you need more space)

1. Name of developer: The Amerland Group, LLC
2. Address, phone number and ZIP Code:
2878 Camino Del Rio South #240
San Diego, CA 92108
619-260-5562
3. IRS Number of Developer:
20-1591015
4. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of California as:

_____ A corporation
_____ A nonprofit or charitable institution or corporation
X _____ A partnership known as: same as above _____
_____ A business association or a joint venture known as _____
_____ A Federal, State or local government or instrumentality thereof.
_____ Other (explain)
5. If the developer is not an individual or a government agency or instrumentality, give date of organization:
August 19th, 2004
6. Names, addresses, phone numbers, title of position (if any) and nature and extent of the interest of the officers and principal members, shareholders, and investors of the developer, other than a government agency or instrumentality, are set forth as follows:
 - a. If the developer is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
N/A

Developer Disclosure Statement Page 2

- b. If the developer is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
N/A
- c. If the developer is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.
Islas Development, LLC (51%) and Manager and Member and Suffolk Development, LLC (49%) as Member
- d. If the developer is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
N/A
- e. If the developer is some other entity, the officers, the members of the governing body, and each person who has an interest of more than 10%. N/A

<u>Name, Address & Zip Code</u>	<u>Phone Number</u>	<u>Position Title (if any) and percent of interest or description of character and extent of interest</u>
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7. Name, address and nature and extent of interest of each person or entity (not named in response to Item 6) who has a beneficial interest in any of the shareholders or investors named in response to Item 6 which gives such person or entity more than a computed 10% interest in the developer (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the developer; or more than 50% of the stock in a corporation which holds 20% of the stock of the developer):

<u>Name, Address and Zip Code</u>	<u>Description of character and extent of interest</u>
Ruben Islas 2878 Camino Del Rio South #240 San Diego, CA 92108 858-456-1135	Sole Member of Islas Development, LLC

Developer Disclosure Statement Page 3

Jules Arthur

Trustee of the 2001 Arthur Family Trust, Sole
Member of Suffolk Development, LLC

2878 Camino Del Rio South #240
San Diego, CA 92108
619-260-5562

8. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 6 or Item 7 above: N/A
9. Is the developer a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms? If yes, list each such corporation or firm by name and address, specify its relationship to the developer, and identify the officers and directors or trustees common to the developer and such other corporation or firm. N/A
10. If funds for the development are to be obtained from sources other than the developer's own funds, a statement of the developer's plan for financing the development:

We will be utilizing tax exempt bonds and 4% tax credits in order to acquire the property. The lender on the deal will be either Arcs Commercial Mortgage or Redstone and the tax credit investor will be Red Capital.

11. Sources and amount of cash available to developer to meet equity requirements of the proposed undertaking:

Developer Fee will be deferred into the deal. No other equity required. However, if such equity would be required, then developers have \$1,195,682 in cash and cash equivalents in addition to other liquid assets.

- a. In banks:

<u>Name, Address and ZIP Code of Bank</u>	<u>\$ Amount</u>
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- b. By loans from affiliated or associated corporations or firms:

<u>Name, Address and ZIP Code of Source</u>	<u>\$ Amount</u>
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- c. By sale of readily salable assets:

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
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12. Name and addresses of bank references:

See attached references.

13. Has the developer or any of the developer's officers or principal members, shareholders or investors, or other interested parties filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against them, defaulted on a loan, or been foreclosed against within the past 10 years? Yes ____ No X____

If yes, give date, place, and under what name.

14. Has the developer or anyone referred to above as "principals of the developer" been indicted for or convicted of any felony within the past 20 years? Yes ____ No X____

If yes, give for each case (1) date, (2) charge, (3) place, (4) Court, and (5) action taken. Attach any explanation deemed necessary.

15. Undertakings, comparable to the proposed project, which have been completed by the developer including identification and brief description of each project and date of completion:

See attached.

16. If the developer or a parent corporation, a subsidiary, an affiliate, or a principal of the developer is to participate in the development as a construction contractor or builder: N/A

a. Name and address of such contractor or builder:

- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract? Yes ____ No ____

____ If yes, explain:

- c. Total amount of construction or development work performed by such contractor or builder during the last three years: \$ _____

General description of such work:

- d. Construction contracts or developments now being performed by such contractor or builder:

<u>Identification of</u>	<u>Location</u>	<u>Date to be</u>
<u>Contract or Development</u>		<u>Amount</u> <u>Completed</u>

- e. Outstanding construction-contract bids of such contractor or builder:

Awarding Agency

Amount

Date Opened

17. Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

See attached for resume of contractor used in the majority of our projects.

18. Does any member of the governing body of the San Diego Housing Commission, to which the accompanying proposal is being made, or any officer or employee of the San Diego Housing Commission who exercises any functions or responsibilities in connection with the carrying out of the project covered by the developer's proposal, have any direct or indirect personal financial interest in the developer or in the proposed contractor?

Yes _____ No X

If yes, explain.

19. Statements and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 10) are attached hereto and hereby made a part hereof as follows:

Please see attached.

CERTIFICATION

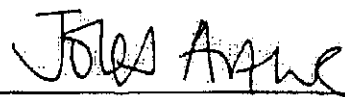
I (We) Ruben Islas and Jules Arthur certify that this Developer's Statement for Public Disclosure and the attached evidence of the developer's qualifications and financial responsibility, including financial statements, are true and correct to the best of my (our) knowledge and belief.

Date: 8-2-2007



Signature

Date: 8-2-2007



Signature

Title: President and CEO

Title: COO

Address & ZIP Code

2878 Camino Del Rio South #240
San Diego, CA 92108

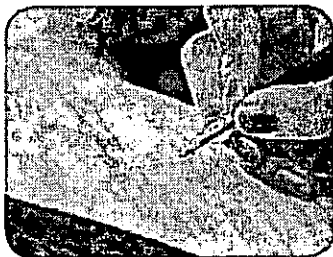
2878 Camino Del Rio South #240
San Diego, CA 92108

REFERENCES



REFERENCES

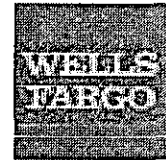
The Amerland Group has assembled an incredible team of attorneys, consultants, non-profits, lenders and investors who are leaders in their respective fields. These individuals are extremely professional, have excellent reputations in the affordable housing industry and have been instrumental in our success. It's a diverse assembly of talent, but each of these professionals shares the same passion: to create affordable housing and innovative developments throughout the United States.



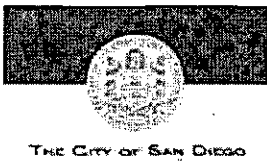
OUR REFERENCES

Detailed References Available Upon Request

FINANCIAL



CITY AND COUNTY



OUR REFERENCES

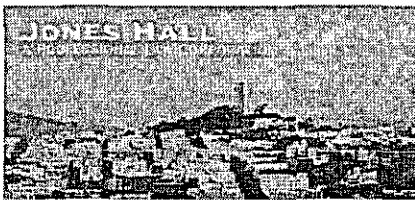
Detailed References Available Upon Request

NON PROFIT PARTNERS



Casa Familiar

LEGAL, ACCOUNTING & CONSULTING



**EIGHNER
& NORRIS PLLC**
ATTORNEYS AT LAW



Hessel and Aluise, P.C.

LEA & COMPANY

Affordable Housing Valuation & Consulting Solutions



COMPANY BIOS



RUBEN ISLAS

PRESIDENT & CHIEF EXECUTIVE OFFICER

Ruben has 15 years of affordable housing development experience and is a co-founder of The Amerland Group. He is the lead developer and is responsible for putting together the financing on all properties. It is his determination and acumen in structuring affordable housing financing that has fueled Amerland's growth and established our reputation for closing complex transactions. Ruben earned a BA from the University of California, San Diego.



JULES ARTHUR

CHIEF OPERATING OFFICER

Jules has more than 20 years of real estate experience and is a co-founder of The Amerland Group, where he oversees the acquisition and asset management departments. Jules was previously an Associate Partner with Hendricks & Partners for six years where he handled the sale of over 10,000 apartment units in Southern California, in addition to founding the firm's National Affordable Housing Division. He was educated in England at Nottingham Trent University where he received a Bsc (Hons) in Urban Estate Surveying. Jules was a member of the Royal Institution of Chartered Surveyors.



CYNDI ISGRIG

CONTROLLER

Cyndi brings to The Amerland Group more than 15 years of professional business experience, where she oversees the accounting and predevelopment departments. She began her career as a CPA with Coopers & Lybrand (now known as Price Waterhouse Coopers), with subsequent experience in business management with Household International and AirTouch Communications (now known as Verizon Wireless). Cyndi holds a business degree from the University of Cincinnati with a double major in accounting and finance.



COMPANY BIOS



CASEY HAELING

DIRECTOR OF ACQUISITIONS

As the director of acquisitions, Casey brings excellent local and regional market knowledge to The Amerland Group. He spent six years with Hendricks & Partners as an associate advisor where he handled the sale of over \$200 million of commercial real estate comprising more than 3,000 apartment units. Casey graduated from the University of San Diego with a BA in Business Administration.



COLIN RICE

VICE PRESIDENT OF ACQUISITIONS

As vice president of acquisitions for The Amerland Group, Colin is responsible for property acquisitions and governmental and community relations. Previously, Colin was chief-of-staff to California State Assemblyman Juan Vargas, where he handled public policy, political and campaign matters, as well as community affairs. Colin holds a Law degree from the University of San Diego and a degree in Philosophy from San Diego State University. In addition, he serves on numerous civic and non-profit boards in the San Diego community.



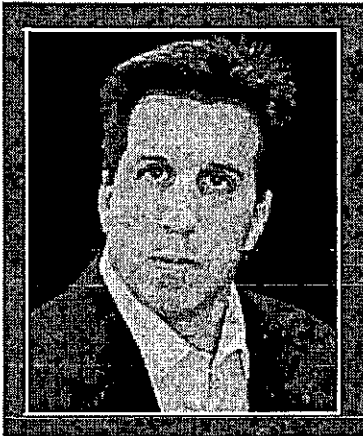
JEREMY TURNER

DIRECTOR OF CONSTRUCTION MANAGEMENT

Jeremy brings a strong background in construction to The Amerland Group. He is responsible for all phases of construction for the firm's acquisitions, including evaluation, estimation, design, bid-management, cost review and monitoring. He has personally managed more than \$30 million of construction contracts for The Amerland Group over the past three years. Before joining the firm in 2004, he developed substantial expertise with hands-on experience specializing in heavy equipment, carpentry and rigging. Jeremy holds a BA from St. John's University.



C O M P A N Y B I O S

**PETER LOPEZ-HODOYAN**

D I R E C T O R O F P R O J E C T M A N A G E M E N T

Peter is the director of project management for The Amerland Group and is responsible for coordinating resources during the acquisition and closing phases of transactions. He works closely with the lenders, investors and their representation to ensure a smooth and efficient process. Peter graduated from San Diego State University with a BA in International Business and came to The Amerland Group in 2004 after spending 10 years working for Bose Corporation, a leading consumer electronics company.

**REBECCA HYATT**

D I R E C T O R O F A S S E T M A N A G E M E N T

Rebecca has been with The Amerland Group since 2004, starting out as a project manager coordinating property acquisitions, then transitioning to asset management. In this role, Rebecca oversees all the properties in Amerland's portfolio, working with lenders, investors and property management to ensure that all aspects of the projects are running smoothly. She holds a BA in English Literature from Gettysburg College, and she spent five years in pharmaceutical advertising before joining the Amerland team.

**BLAIR BESTEN**

D I R E C T O R O F C O M M U N I T Y D E V E L O P M E N T

As a Director of Community Development, Blair brings to The Amerland Group an extensive knowledge of Los Angeles real estate with a particular focus on the downtown area. She spent over two and a half years with The KOR Group as a project manager for projects such as The Santa Fe Lofts and The Eastern Columbia Building, advising on both construction and community liaison matters. Blair graduated with a BA from Indiana University.



COMPANY BIOS



GEORGE JORDAN

SENIOR DEVELOPMENT CONSULTANT

As Senior Development Consultant for the Amerland Group, George advises the company on matters related to development, project management, community service and government relations. He comes to Amerland with more than 15 years of community development and political experience including working on the staff of a San Diego Councilman and State Assemblyman. He also has served as Chief Consultant to the Select Committee on Urban Revitalization. George is a former Commissioned officer in U. S. Army and holds a BA in Business Administration from the Georgia Military College.



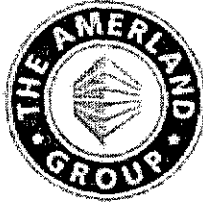
MARTHA ENRIQUEZ

PRESIDENT & CEO, LOGAN PROPERTY MANAGEMENT, INC. (LPM)

Martha is the president and CEO of Logan Property Management, Inc. (LPM), an affiliate of The Amerland Group. She has almost 15 years of experience in management, with an extensive background in asset management and human resources. Before founding LPM, she worked for over two years as an asset manager for The Amerland Group. Her responsibilities included rehabilitation and stabilization of new acquisitions, as well as assisting with the compilation of the developer's due diligence for lenders and investors. In this capacity, Martha dealt extensively with both the U.S. Department of Housing and Urban Development and the California Tax Credit Allocation Committee, assuring that the developer was in compliance at all times with both agencies' rigorous requirements.

In addition, Martha has successfully completed the following courses: Novogradac LIHTC Compliance certification, the AHMA Occupancy Specialist course, the Ross Management Resident Selection and Waiting List Management course, and the Spectrum Tax Credit Compliance certification.





**RECENTLY COMPLETED
PRESERVATION ACQUISITIONS***

Hawaiian Gardens Apartments, 11950 Centralia, Lakewood, CA – 264 Units

This transaction closed August 2004. Hawaiian Gardens Apartments is a Title II (ELIHPA) HUD 236 project built in 1975. The purchase price was approximately \$21,000,000 or \$79,500/unit. This project involved a decoupling of an IRP and many other complicated issues.

Lafayette Square Apartments, 3901 Lafayette, Albuquerque, NM – 188 Units

This transaction closed December 2004. Lafayette Square Apartments is a 188 unit HUD 236 property which requires a significant rehabilitation including the replacement of a two-pipe air conditioning system and other site and structural upgrades. This transaction required not only an IRP decoupling but also a very significant mark up to market of HUD rents in order to finance the acquisition and rehabilitation costs. The rehab will begin in the spring of 2005. This transaction closed at the contract price of \$5,000,000.

Plaza Seniors Apartments, 1755 W. Main Street, El Centro, CA – 172 Units

This transaction closed September 2004. Plaza Seniors Apartments is a 172 unit affordable housing property with predominantly Section 8 voucher tenancy. This property will undergo a significant rehabilitation repairing many deferred maintenance items. This transaction closed at the contract price of \$5,400,000.

Logan Square, 4715-70 Solola Avenue, San Diego, CA – 170 Units

Logan Square is a HUD 236 project built in 1970, in a challenging location, which required extensive upgrades. We purchased the project for \$9,350,000 or \$55,000/unit. Again we closed at the contract price, despite the presence of significant deferred maintenance. The City of San Diego contributed \$1,000,000 towards the rehabilitation of the project. This complex transaction also involved a mark up to market of HUD rents and a decoupling of an IRP.

Hannon Assembled Apartments, 1770 Waring, Seaside, CA – 133 Units

Hannon Assembled Apartments is a scattered-site HUD 236 property built in the 1970's which had fallen in to disrepair. This complicated transaction closed in June 2004 at the contract price of \$12,500,000 or \$94,000/unit. This transaction involved the decoupling of an IRP.

Carlton Country Club Villas, 9345 Carlton Oaks Drive, Santee, CA - 130 Units

This transaction closed October, 2003. Carlton Country Club Villas is a Title VI (LIHPRHA) HUD 236 project built in 1970. We purchased the project for \$8,000,000 which was the contact price with no credits requested from the seller. This complex transaction involved decoupling of an IRP.

*All of the properties listed are managed by Logan Property Management, Inc.

Campus Gardens – 655 Howe Ave Sacramento, CA – 126 Units

This transaction closed November, 2003. Campus Gardens is a Title II (ELIHPA) HUD 236 project built in 1972. We purchased the project for the contract price, \$9,000,000, in a complex IRP decoupling transaction.

Lilly Gardens, 8000 – 8800 Lilly Avenue, Gilroy, CA – 84 Units

Lily Gardens was a HUD 236 project built in 1980, also in a challenging location, which required extensive upgrades. We purchased the project for \$9,000,000 or \$107,143/unit for mostly one and two bedroom units. The transaction involved the mark up to market of HUD rents. We closed at the contract price, despite the presence of significant deferred maintenance.

Willowbrook, 110 Bailey Road, Pittsburg, CA – 72 Units

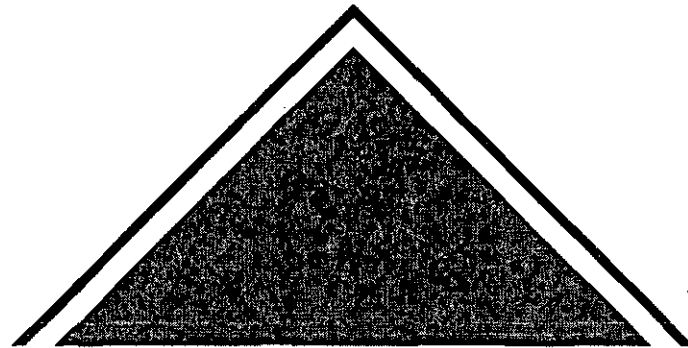
Willowbrook was a HUD project built in 1985 in a challenging location, which required modest upgrades. We closed on the property for \$6,600,000, the full CONTRACT price.

Casa de Vallejo – 1825 Sonoma Blvd, Vallejo, CA – 136 Units

Casa de Vallejo was a HUD project built in three distinct sections: one in 1919, the second in 1941, and the final section in 1979. We purchased the project for the contract price of \$9,550,000.

Briarwood Manor Apartments – 9656 Exeter Avenue, Montclair, CA – 100 Units

This transaction is set to close in October 2005. Briarwood Manor is a HUD project built in 1979. We will purchase the project for the contract price of \$4,900,000.



ICON

BUILDERS

BUILDING INTEGRITY

2-16



Who We Are

From conception to completion we never lose sight of our priorities: attention to details, integrity and effective solutions.

Overview

ICON Builders specializes in the renovation and new construction of multi-family and senior apartment projects. Our projects range from government assisted low income properties through luxury apartments. We have a passion for excellence, an eye for detail, and 20 years of building experience that has produced more than 8,000 residential units in California, Washington, Nevada, Arizona and New Mexico.

Our Story

Our first company, Bezaire Electric, has been a licensed electrical contractor since 1945. Expanding upon Bezaire Electric, ICON Builders was founded in 1984 under the leadership of Allen Sands.

Locations

Scottsdale Office

8889 East Via Linda
Scottsdale, AZ 85258
480-368-8500
480-368-8700 fax

Los Angeles Office

1247 Lincoln Boulevard,
Suite 125
Santa Monica, CA 92104
310-450-5661
310-450-4371 fax

San Diego Office

2936 Lincoln Ave,
Suite 151
San Diego, CA 92104
619-229-2062
619-229-2063 fax

Locations *continued*

Oakland Office

27911 Industrial Boulevard,
Suite 150
Hayward, CA 94545
510-266-0901
510-266-0902 fax

Reno Office

18124 Wedge Parkway,
Suite B 240
Reno, NV 89511
800-787-9090

Seattle Office

15031 Military Road South,
Suite B-106
Seattle, WA 98188
425-917-2280
425-917-2272 fax

The Team

Allen W. Sands

President

Carin L. Schmidt

Vice President / Senior Project Manager

Marianne Laupp

Controller

Brad Smith

Construction Manager

Hector Dominguez

Project Manager

Scott Tenge

Project Manager

Chris Brew

Assistant Project Manager

Tara Thul

Project Coordinator

Sue O'Neil

Accounting Administrative Assistant

What We Do

ICON Builders takes your project from start to finish, on time and on budget. We learned long ago that attention to detail is the key element that can make or break a construction project. We can spot and solve problems before they impact your project.

Services

Acquisition Assistance through Preliminary Budgeting

We will assist you in property due diligence and create realistic construction budgets that you can count on.

Design Review and Consultation

We will guide, at key points, the proposed plans to key projects on target and within budget.

Contract Administration

We can electronically create any necessary AIA documents.

Government Entitlement Assistance

As a team player, we will help facilitate the approval process whenever possible.

Lender Assistance

We can help you get through the lenders "due diligence" phase for approval. *ICON Builders* will stand out as a very strong team member that is capable of making your project look more attractive to potential lenders.

Budgets and Forecasting

We develop realistic budgets that will take your project from conception to completion.

Construction and Construction Management

We are experienced general contractors who keep the owners short and long term interests in mind.

Fast Track Construction

We have the ability to work in a "Fast Track" construction sequence that allows for results and rapid project completion.

Project Close Out

Upon completion, we provide a very clear set of closeout books and as-built plans that will help with the maintenance and upkeep of the project for many years to come.

Insight

Breezewood Village Receives Award of Excellence

ICON Builders Donates Computers to Apartment Community

ICON Builders' work wins "Project of the Year"

ICON Builders Turn 7-11 into New Corporate Headquarters, Aug. 27, 2001

ICON Builders Makes Large Donation of Backpacks to T.J. Pappas School

Platinum sponsor ICON Builders Presents The Housing with HEART Community Service Award.

Our Projects

During their 20 years in the industry, ICON Builders' has produced more than 8,000 residential units in California, Washington, Nevada, Arizona and New Mexico. Their extensive experience in new construction projects has included building beautiful and functional luxury, family and senior housing units.

Renovation

Alaska House Apartments

Seattle, WA
99 Units Affordable Housing
\$1.5 Million Project.

Baywood Senior Apartments

Oakland, CA
77 Units Affordable Housing
\$600,000 Project.

Birchcrest Apartments

Downey, CA
64 Units Affordable Housing
\$1 Million Project.

Carlton Country Club Apartments

Santee, CA
130 Units Affordable Housing
\$600,000 Project.

Corona Park Apartments

Corona, CA
126 Units Affordable Housing
\$2.1 Million Project.

Deliverance Temple Apartments

Richmond, CA
82 Units Affordable Housing
\$2.5 Million Project.

Desert Villas Apartments

El Centro, CA
172 Units Affordable Housing
\$1.5 Million Project.

Ingram Preservation Properties

Los Angeles, CA
140 Units Affordable Housing
\$2 Million Project.

Hannon Assembled Apartments

Seaside, CA
133 Units Affordable Housing
\$2.5 Million Project.

Azure Park Apartments

Sacramento, CA
220 Units Affordable Housing
\$1.6 Million Project.

Bennett Valley Park Apartments

Santa Rosa, CA
180 Units Affordable Housing
\$5.4 Million Project.

Campus Gardens Apartments

Sacramento, CA
160 Units Affordable Housing
\$1.5 Million Project.

Citrus Grove Apartments

Fontana, CA
50 Units Affordable Housing
\$1.8 Million Project.

Covina Park Apartments

Covina, CA
170 Units Affordable Housing
\$2.5 Million Project.

Delores Francis Housing

Los Angeles, CA
366 Units Affordable Housing
\$8.5 Million Project.

Forest Club Estates Apartments

Forest Park, GA
250 Units Affordable Housing
\$4 Million Project.

International House Apartments

Seattle, WA
105 Units Affordable Housing
\$1.5 Million Project.

Hawaiian Gardens Apartments

Hawaiian, CA
264 Units Affordable Housing
\$2.7 Million Project.

Renovation *continued*

Hannon Assembled Apartments

Seaside, CA
133 Units Affordable Housing
\$2.5 Million Project.

La Puente Apartments

La Puente, CA
132 Units Affordable Housing
\$2 Million Project.

Lake Merritt Apartments

Oakland, CA
55 Units Affordable Housing
\$1 Million Project.

Mission Woods

Ontario, CA
150 Units Condominium Conversion
\$4 Million Project.

Plum Tree

Gilroy, CA
70 Senior Apartments
\$1.3 Million Project.

Roman Villas Apartments

Las Vegas, NV
192 Units Affordable Housing
\$2.7 Million Project.

Royal Hills Apartments

Renton, WA
284 Units Affordable Housing
\$3 Million Project.

Hawaiian Gardens Apartments

Hawaiian, CA
264 Units Affordable Housing
\$2.7 Million Project.

Lafayette Square Apartments

Albuquerque, NM
188 Units Affordable Housing
\$3.8 Million Project.

Logan Square Apartments

San Diego, CA
170 Units Affordable Housing
\$2.5 Million Project.

Parkway Plaza Apartments

Carson City, NV
316 Units Affordable Housing
\$4 Million Project.

Rio Vista Village Apartments

Los Angeles, CA
75 Units Affordable Housing
\$4.5 Million Project.

Rowland Heights Apartments

Rowland Heights, CA
144 Unit Low-Income Housing
\$2.2 million Project.

Sage Terrace Apartments

Lakewood, WA
107 Units Affordable Housing
\$1.5 Million Project.

New Construction

Breezewood Village

La Mirada, CA
120 Unit Garden-Style Affordable
Senior Apartment Complex
\$7 Million Project

Goldware Senior Housing

Riverside, CA
162 Unit Complex
\$10 Million.

ML Shepard Manor

Los Angeles, CA
90 Units Affordable Housing
\$6.5 Million Project.

The Villas at Augusta Ranch

Mesa, AZ
238 Unit Luxury Apartment Village
\$13 Million Project.

Eastside Village Apartments

Los Angeles, CA
78 Units Affordable Housing
\$8 Million Project.

Lark Ellen Village

West Covina, CA
122 Family and Senior Housing Units
\$8 Million Project.

Summercrest Villas

San Jose, CA
60 Unit Complex
\$6 Million Project.

The Villas at Camelback Crossing

Phoenix, AZ
264 Unit Luxury Apartment Village
\$15 Million Project.

Our Process

Renovation

The renovation process has its own unique set of challenges. ICON Builders has a specific process in place to make the complicated work of renovation run smoothly.

Study

We have in depth understanding of your project, because we are actively involved in developing the work scope and budgeting. We focus on your interests as a long term owner. Our recommendations are directed toward decisions that are well thought out with results that are meant to last.

Allocate Resources

We start your project with the strength of staff, commitment, finances and the confidence of having done it successfully before.

Plan Production Sequence

All work is done in sequence. Sequence is determined far in advance of the actual work. We have NEVER missed a sequence completion date. This allows you to effectively communicate with tenants and provides the least interference with your tenants's life. We work in a "fast track" fashion and complete projects in a remarkably short time frame.

Execute

The best laid plans are only beneficial if they are carried out. ICON Builders prioritizes careful execution of our work and has the resources to follow through no matter what challenges arise.

Punch List

Our punch list system allows us to track the unfinished details to insure 100% project completion. By tracking unfinished minor details, we can keep the big picture construction completion on time.

Completion

We turn over a project in a COMPLETE condition, on time, every time.

New Construction

Our new construction process is simple and fast. At ICON Builders, we know you have a lot on your mind. We know what needs to be done to save you worry, headaches and cost overruns.

Coordinate Team

ICON Builders assures success through a sound foundation in teamwork. This teamwork is rooted in efficient and accurate communication with you and your designers. We combine your designers' vision with your budget and timeline - into a profitable project.

Execute Process

Combining our complete understanding of your project and the right sub-contractors, we finish every step thoroughly and completely until your project is done - on time and within budget.

Study the Details

We have a developed method to constantly examine your project at every level of detail and to ensure quality that will last for years to come.

HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM

Summary

General Description: The multifamily housing bond program provides below-market financing (based on bond interest being exempt from income tax) for developers willing to set aside a percentage of project units as affordable housing. Multifamily housing revenue bonds are also known as “private activity bonds” bonds because the projects are owned by private entities, often including nonprofit sponsors and for-profit investors.

Bond Issuer: Housing Authority of the City of San Diego. There is no direct legal liability to the City, the Housing Authority or the Housing Commission in connection with the issuance or repayment of bonds; there is no pledge of the City’s or the Housing Authority’s faith, credit or taxing power. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

Affordability: Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of 10% of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires that the affordability restriction be in place for a minimum of 15 years. In practice, projects financed by multifamily housing bonds are affordable for a minimum of 30 years. Bonds may also be combined with other financing sources to create deeper affordability and longer terms of restriction.

Rating: Generally “AAA” or its equivalent with a minimum rating of “A” or, under conditions that meet IRS and Housing Commission requirements, bonds may be unrated for private placement with institutional investors (typically, large banks). Additional security is normally achieved through the provision of outside credit support (“credit enhancement”) by participating financial institutions that underwrite the project loans and guarantee the repayment of the bonds. The credit rating on the bonds reflects the credit quality of the credit enhancement provider.

Approval Process:

- **Inducement Resolution:** The bond process is initiated when the issuer (Housing Authority) adopts an “Inducement Resolution” to establish the date from which project costs may be reimbursable from bond proceeds (if bonds are later issued) and to authorize staff to work with financing team to perform a due diligence process. The Inducement Resolution does not represent any commitment by the Housing Commission, Housing Authority, or the developer to proceed with the financing.

- TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982): To assure that projects making use of tax-exempt financing meet appropriate governmental purposes and provide reasonable public benefits, IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located (City Council). This process does not make the City financially or legally liable for the bonds or for the project.

[Note: It is uncommon for the members of the City Council to be asked to take two actions at this stage in the bond process---one in their capacity as the City Council (TEFRA hearing and resolution) and another as the Housing Authority (bond inducement). Were the issuer (Housing Authority) a more remote entity, the TEFRA hearing and resolution would be the only opportunity for local elected officials to weigh in on the project.]

- Application for Bond Allocation: The issuance of these “private activity bonds” (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Authority and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- Final Bond Approval: The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.
- Funding and Bond Administration: All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders. If rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds.

Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible, in any way, for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the

offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on the behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.

REPORT TO THE CITY COUNCIL
EXECUTIVE SUMMARY SHEET

DATE REPORT ISSUED: August 17, 2007
ATTENTION: Council President and City Council
ORIGINATING DEPT: San Diego Housing Commission
SUBJECT: Preliminary Bond Items for Bay Vista
COUNCIL DISTRICT: District 4
STAFF CONTACT: Cissy Fisher (619) 578-7585

REPORT NO.: HAR07-026

Please note: There is a Housing Authority companion for this item.

REQUESTED ACTION:

Take the initial steps to issue Housing Authority mortgage revenue bonds to fund the acquisition and rehabilitation of an existing 268-unit rental complex located in the Encanto neighborhood of San Diego. Borrower would acquire and rehabilitate the property and restrict rents below market; issuance of bonds would require Housing Authority approval at a later date.

STAFF RECOMMENDATION:

City Council hold a public hearing (*known as a TEFRA hearing - Tax Equity and Fiscal Responsibility Act*) and adopt a resolution approving the issuance of tax-exempt bonds in an amount up to \$27 million by the Housing Authority for Bay Vista Methodist Heights (Bay Vista) located at 4888 Logan Avenue in the City of San Diego.

EXECUTIVE SUMMARY:

Bay Vista is an existing 268-unit affordable housing complex located at 4888 Logan Avenue. The project includes 100 two-bedroom and 168 three-bedroom units in 32 buildings. Bay Vista also includes three playgrounds, a community room, and an on-site daycare facility. The property was built in 1969 by a non-profit affiliate of St. Paul United Methodist Church. St. Paul's has owned and operated Bay Vista since its opening and has recently agreed to sell the property to Amerland Group, LLC (Amerland).

Amerland intends to acquire Bay Vista, preserve and extend the affordable rents, and substantially rehabilitate the property. Amerland is a San Diego-based company founded in 2001 by Ruben Islas and Jules Arthur. The firm specializes in the creation and maintenance of affordable multifamily housing. Amerland currently owns 15 affordable housing developments totaling over 2,500 units.

Through the Housing Commission's Bond Program, rents on all the units will be restricted at 50% and 60% of the Area Median Income (AMI) (\$35,100 and \$49,150 for a family of four) for a minimum of 55 years. However, Amerland will also be seeking a 20-year extension of the HUD Section 8 contract to ensure that tenants will continue to pay 30% of their incomes toward rent after the acquisition and rehabilitation of the project.

The total development cost of the project is estimated to be approximately \$33 million. Other sources of permanent funds for the project will include federal tax credits, a deferred developer fee, and income from operations. The developer currently proposes to issue the bonds through a private placement. The bonds would meet all the requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and would fully comply with the City's ordinance on bond disclosure.

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested actions. Approval of the bond inducement and TEFRA resolutions do not commit the Housing Authority to issue bonds. The bonds would not constitute a debt of the City of San Diego. If bonds are ultimately issued for the project, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources. Neither the faith and credit nor the taxing power of the City or the Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission's annual administrative fee.

PREVIOUS HOUSING AUTHORITY And/Or COMMITTEE ACTIONS:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

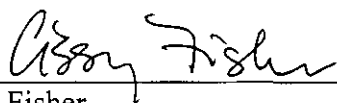
Amerland will present their proposal for Bay Vista to the Encanto Community Planning Group in the near future.

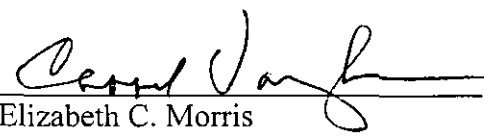
KEY STAKEHOLDERS & PROJECTED IMPACTS:

The residents of Bay Vista are stakeholders. Amerland will acquire and rehabilitate the project. The seller of the property is a non-profit established by St. Paul's United Methodist Church. Amerland has selected Red Capital Markets as the tax credit investor for the project.

Respectfully submitted,

Approved by,


Cissy Fisher
Director, Housing Finance and Development


Elizabeth C. Morris
President and Chief Executive Officer

REQUEST FOR CITY COUNCIL ACTION CITY OF SAN DIEGO						1. CERTIFICATE NUMBER (FOR AUDITOR'S USE ONLY)	
TO: CITY ATTORNEY		2. FROM (ORIGINATING DEPARTMENT): San Diego Housing Commission				3. DATE: August 17, 2007	
4. SUBJECT: Preliminary Bond Items for Bay Vista							
5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.) Peter Armstrong, 619-578-7556, 49N			6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.) Cissy Fisher, 619-578-7585, 49N			7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED <input type="checkbox"/>	
8. COMPLETE FOR ACCOUNTING PURPOSES							
FUND					9. ADDITIONAL INFORMATION / ESTIMATED COST: COSTS OF CITY ATTORNEY'S REVIEW TO BE CHARGED TO OUSA #346		
DEPT.							
ORGANIZATION							
OBJECT ACCOUNT							
JOB ORDER							
C.I.P. NUMBER							
AMOUNT							
10. ROUTING AND APPROVALS							
ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIG. DEPT	<i>Cissy Fisher</i>	8/17/07	8	DEPUTY CHIEF	<i>WHL</i>	8/20/07
2	CARROL VAUGHAN VP-COO	<i>[Signature]</i>	9/17/07	9			
3				10	CITY ATTORNEY	<i>[Signature]</i>	9/4/07
4				11	ORIG. DEPT		
5				DOCKET COORD: _____ COUNCIL LIAISON _____			
6				✓	COUNCIL PRESIDENT <input type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION		
7					COUNCIL DATE: 8/18/07		
11. PREPARATION OF: <input type="checkbox"/> RESOLUTIONS <input type="checkbox"/> ORDINANCE(S) <input type="checkbox"/> AGREEMENT(S) <input type="checkbox"/> DEED(S)							
CITY COUNCIL HOLD A PUBLIC HEARING AND ADOPT A RESOLUTION APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE HOUSING AUTHORITY FOR UP TO \$27 MILLION FOR BAY VISTA.							
11A. STAFF RECOMMENDATIONS: ADOPT THE RESOLUTION.							
12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)							
<u>COUNCIL DISTRICT(S):</u>		4 (YOUNG)					
<u>COMMUNITY AREA(S):</u>		ENCANTO					
<u>ENVIRONMENTAL IMPACT:</u>		THE PROJECT IS CATEGORICALLY EXCLUDED FROM THE REQUIREMENTS OF THE NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) PURSUANT TO THE APPLICABLE PROVISIONS OF NEPA 24CFR PART 58, SECTION 58.35(A)(3)(II). THE PROJECT IS ALSO CATEGORICALLY EXEMPT THE PROVISIONS OF THE CALIFORNIA ENVIRONMENT QUALITY ACT (CEQA) PURSUANT TO SECTION 15301 OF FROM THE CEQA GUIDELINES.					
<u>HOUSING IMPACT:</u>		THE PROJECT WILL PRESERVE AND REHABILITATE 268 AFFORDABLE HOUSING UNITS.					
<u>OTHER ISSUES:</u>		THE HOUSING COMMISSION WILL HEAR THIS ITEM ON AUGUST 24, 2007.					
<u>CITY CLERK INSTRUCTIONS:</u>		PLEASE SEND A CERTIFIED COPY OF RESOLUTION TO PETER ARMSTRONG, MS 49-N. THERE IS A HOUSING AUTHORITY COMPANION FOR THIS ITEM.					

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION PURSUANT TO SECTION 147(f) OF THE
INTERNAL REVENUE CODE OF 1986 APPROVING THE
ISSUANCE OF BONDS BY THE HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO FOR BAY VISTA

WHEREAS, the Housing Authority of the City of San Diego [Authority] intends to issue not to exceed \$27,000,000 aggregate principal amount of multifamily housing revenue bonds [Bonds] to finance the acquisition and rehabilitation of a multifamily rental housing project in the City of San Diego described in the notice of public hearing attached as Exhibit A hereto [Project]; and

WHEREAS, in order for interest on the Bonds to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986 requires that the Bonds be approved by the City Council as the applicable elected representative after a public hearing following reasonable public notice; and

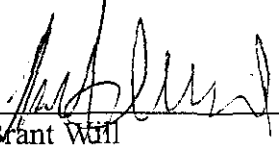
WHEREAS, notice of a public hearing with respect to the proposed issuance of the Bonds was published in a newspaper of general circulation in the City on September 3, 2007; and

WHEREAS, the public hearing was held on September 18, 2007, and an opportunity was provided for interested persons to express their views on the issuance of the Bonds and on the nature and location of the Project; NOW THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego that this City Council, as the applicable elected representative under Section 147(f) of the Code, approves the issuance of the Bonds by the Authority.

BE IT FURTHER RESOLVED, that the City does not warrant the creditworthiness of the Bonds or guarantee, in any way, the payment of the Bonds. No moneys of the City will be pledged or applied to the repayment of the Bonds.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By: _____
Brant Will
Deputy City Attorney

BCW:jdf
08/29/07
Or.Dept:HA
R-2008-173
Companion: HA-2008-7

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of San Diego on Tuesday, September 18, 2007, at the hour of 2 p.m., or as soon thereafter as the matter may be heard, at the City Council Chambers, 12th floor, 202 C Street, San Diego, California, will hold a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986 with respect to the proposed issuance by the Housing Authority of the City of San Diego of its multifamily housing revenue bonds in an aggregate principal amount not to exceed \$27,000,000, in order to finance the acquisition and rehabilitation of the multifamily rental housing project described below:

Name:	Bay Vista
Location:	4888 Logan Avenue
Number of Units:	268
Maximum Bond Amount:	\$27,000,000

The owner of the Project will be a limited liability company or limited partnership to be formed by the Amerland Group, LLC for the purpose of owning the Project. The initial operator of the Project will be Logan Property Management, Inc. or another entity selected by the Amerland Group, LLC. A total of 267 units in the project are to be income and rent restricted and occupied by low income tenants at affordable rents.

Notice is further given that at said hearing, all interested parties will have an opportunity to be heard on the question of whether or not such multifamily housing revenue bonds should be issued. Written comments may also be submitted prior to the hearing, c/o Mr. Peter Armstrong, San Diego Housing Commission, 1122 Broadway, Suite 300 San Diego, California 92101.

Dated: September 3, 2007

**THE CITY COUNCIL OF THE CITY OF
SAN DIEGO**